

DISPATCH		CLASSIFICATION SECRET	DISPATCH SYMBOL AND NO ROMA-7163																
TO Chief of Base, Munich Attention: <input type="checkbox"/> CMB/3: <input type="checkbox"/>			HEADQUARTERS FILE NO 74-6-1273																
FROM Chief, SR			DATE 1-5 JAN 1959																
SUBJECT Operational REDWOOD LGIMPROVE AKBATH Status of AKBATH Project			RE: "A" - (CHECK "I" ONE) <input type="checkbox"/> MARKED FOR INDEXING <input checked="" type="checkbox"/> NO INDEXING REQUIRED																
ACTION REQUIRED Munich: None, for your information <input type="checkbox"/> See Paragraph 4, below			INDEXING CAN BE ADDED BY QUALIFIED HQ DESK ONLY																
<p>REFERENCE:</p> <p>A. DPA - 39155, dated 15 December 1958 B. DOR - 04076 dated December 1958 C. MEMO - 1452 dated December 1958 D. <input type="checkbox"/> - 4432 dated December 1958</p> <p>1. Status of Project AKBATH: As you know, Project AKBATH was approved in September 1957 for project year 1958 with the recommendation that ARCAPELIN-1 be transferred or terminated by 11 July 1958. Since this could not be accomplished by that date, renewal of Project AKBATH for project year 1959 was delayed until a final decision was made as to the disposition of ARCAPELIN-1. When Munich <input type="checkbox"/> plans for the transfer of subject were firmed up sufficiently to allow a reasonable estimate of the date of his transfer, we immediately submitted a request for extension of Project AKBATH for eight months (1 August 1958 to 11 March 1959) to provide sufficient time for a secure and orderly transfer of ARCAPELIN-1 to Paris. Though the request for project extension has not been approved to date, we are expecting such approval in the very near future. A copy of the request for extension of Project AKBATH will be submitted to the field immediately after approval.</p> <p>2. AKBATH Finances: In Paragraph 5, Reference A, there appears to be a misunderstanding as to the responsibility for financing any losses which ARCAPELIN-1 may suffer when he sells his personal apartment. <input type="checkbox"/> does not have to include the sum of \$1070 in the new field project outline because this sum has already been included in our request for extension of Project AKBATH. The breakdown of funds requested for the eight months of the extension (1 August 1958 to 11 March 1959) is as follows:</p> <table border="0"> <tr> <td>a. Salary - Paid in Munich (8 months @ \$200)</td> <td>\$1600.00</td> </tr> <tr> <td>b. Salary - HQ Moscow (8 months @ \$200)</td> <td>1600.00</td> </tr> <tr> <td>c. Purchase of Information and Rental of Operational Office for ARCAPELIN-1 (8 months)</td> <td>700.00</td> </tr> <tr> <td>d. Operational Travel</td> <td>350.00</td> </tr> <tr> <td>e. Fund for Transfer of ARCAPELIN-1 and effects to Paris, including expenses connected with possible loss in sale of subject's personal apartment in Munich.</td> <td>1400.00</td> </tr> <tr> <td>f. Initial Key Money for Paris Living Quarters</td> <td>200.00</td> </tr> <tr> <td>g. Operational Materials</td> <td><u>150.00</u></td> </tr> <tr> <td>TOTAL</td> <td>\$6000.00</td> </tr> </table> <p>In reference B, we submitted the above breakdown with the exception of item "e" above which was listed as \$400. Reference C concurred all figures in Reference B but also requested an additional sum of \$1000 to cover reimbursement to ARCAPELIN-1 for any possible losses connected with the sale of his personal apartment. This \$1000 was added to our estimate of \$400 and appears liberal enough to cover all foreseeable expenses connected with the transfer of ARCAPELIN-1 to Paris. It should also be noted that \$200 was allowed for initial key money for Paris living quarters, and that this figure was considered adequate by <input type="checkbox"/> per Reference B.</p> <p>3. Status of ARCAPELIN-1 Security Account: Per Paragraph 6-B, Reference A, ARCAPELIN-1's state-side escrow account totaled \$6845.05, as of 31 December 1958. The information on Munich personalities will be submitted to <input type="checkbox"/> in a separate dispatch.</p>				a. Salary - Paid in Munich (8 months @ \$200)	\$1600.00	b. Salary - HQ Moscow (8 months @ \$200)	1600.00	c. Purchase of Information and Rental of Operational Office for ARCAPELIN-1 (8 months)	700.00	d. Operational Travel	350.00	e. Fund for Transfer of ARCAPELIN-1 and effects to Paris, including expenses connected with possible loss in sale of subject's personal apartment in Munich.	1400.00	f. Initial Key Money for Paris Living Quarters	200.00	g. Operational Materials	<u>150.00</u>	TOTAL	\$6000.00
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4. ENC 3 In view of the fact that the present Project AFM must be terminated by 31 March 1967, it is requested that the Paris field project outline for AFM be submitted as soon as possible but under no circumstances later than 15 February 1967, in order to allow sufficient time for headquarters processing and approval. At the same time please submit a new memorandum of oral agreement in lieu of contract for AFM. This can be drawn up for an indefinite period to avoid the necessity of yearly or bi-yearly renewals.

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